Department of State **TELEGRAM**

SECRET 128

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EXCISE

44-42
ACTION E-04

INFO OCT-01 SS-20 SSO-00 NSCE-00 CCO-00 AF-05 NSC-10 INR-07
CIAE-00 PRS-01 COM-02 NSAE-00 JUS-01 L-02 OEP-01
NEA-08 EUR-12 RSR-01 RSC-01 /076 W
125462

O P 141618Z JAN 71
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC IMMEDIATE 7286
INFO USINT ALGIERS PRIORITY
AMEMBASSY BEIRUT
AMEMBASSY BENGHAZI
AMEMBASSY CARACAS
AMEMBASSY DHAHRAN
AMEMBASSY DJAKARTA
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LAGOS
AMEMBASSY NEW DELHI
AMEMBASSY RIO DE JANEIRO
AMEMBASSY TEHRAN
USMISSION NATO
BT
S E C R E T TRIPOLI 079

LIMDIS

DEPT PASS CAIRO AND ALL OECD CAPITALS

REF STATE 4864

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY cj DATE 6/19/81
PORTIONS DENIED AS INDICATED

[redacted]

B1, B5

SECRET

DECLASSIFIED

[redacted]

2. THUS FAR, LARG HAS, AS WE EXPECTED, FOLLOWED PATTERN FOR CONFRONTING OIL COMPANIES WHICH WAS SO SUCCESSFUL IN 1970. HOWEVER, WE SENSE THAT THERE MAY BE SOME SURPRISE DEVIATION FROM THIS PATTERN, AND WE THINK IT WILL COME IN TALKS WITH OCCIDENTAL AND BUNKER HUNT ON JAN 16. POSSIBILITIES ON COMPANIES' SIDE IN THESE TALKS SEEM TO BE:

A. ATTEMPTING TO SUBSUME TALKS WITH LARG INTO NEGOTIATIONS WITH OPEC;

[redacted] B1

[redacted] B1

[redacted] B1

4. THUS, WE CONCLUDE LARG HAS TWO MAIN OBJECTIVES IN THIS ROUND:

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[redacted] B1

5. IN CONNECTION WITH FORCED INVESTMENT, WE OFFER FURTHER CLARIFICATION OF POINT SEVEN C, REFTEL. BOTH JALLUD (TO INDUSTRY S AND PETROLEUM U/S TO EMBOFF HAVE BROADENED AREAS ELIGIBLE FOR INVESTMENT BEYOND "OIL PRODUCTION OR MANUFACTURING". MAIN LARG CONCERN IS FOR INVESTMENT IN OIL EXPLORATION, BUT AGRICULTURE ALSO HAS BEEN CITED AS ELIGIBLE AREA. ADDITIONALLY, OUR UNDERSTANDING [redacted] B4 IS THAT INVESTMENT WOULD BE ELIGIBLE FOR AMORTIZATION.

6. GRIM PROSPECTS WE HAVE OUTLINED HAVE NOT CAUSED US TO CHANGE OUR BROADER ASSESSMENT AND EARLIER RECOMMENDATIONS TO DEPARTMENT.
GP-3
PALMER

NNNN
NOTE BY OC/T: TRIPOLI 79 NOT PASSED OECD CAPITALS.

SECRET
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